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IN THE UNITED STATES DISTRICT COURT
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                   FOR THE NORTHERN DISTRICT OF OKLAHOMA
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      STATE OF OKLAHOMA, ex rel,
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     W.A. DREW EDMONDSON, in his
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     capacity as ATTORNEY GENERAL
     OF THE STATE OF OKLAHOMA,
     et al.
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               Plaintiffs,
     V.
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                                             No. 05-CV-329-GKF-SAJ
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     TYSON FOODS, INC., et al.,
               Defendants.
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                          TRANSCRIPT OF PROCEEDINGS
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                                JUNE 15, 2007
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                               MOTIONS HEARING
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     BEFORE THE HONORABLE GREGORY K. FRIZZELL, Judge
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     APPEARANCES:
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     For the Plaintiffs: Mr. Louis W. Bullock
                           Mr. M. David Riggs
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                           Mr. Richard T. Garren
                           Mr. Frederick C. Baker
22
                           Mr. W.A. Drew Edmondson
                           Ms. Kelly S. Burch
23
                           Mr. Robert A. Nance
                           Mr. J. Trevor Hammons
24
                           Ms. Ingrid Moll
     For the Defendants: Mr. Robert W. George
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                           Mr. Jay T. Jorgensen
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1 (APPEARANCES CONTINUED) Mr. Stephen L. Jantzen 2 For the Defendants: Mr. Michael R. Bond 3 Mr. John R. Elrod Mr. A. Scott McDaniel 4 Ms. Nicole M. Longwell Mr. Phillip D. Hixon 5 Ms. Theresa Noble Hill Mr. Robert P. Redemann 6 Mr. Robert E. Sanders Mr. Bruce Jones 7 Mr. Paul Thompson, Jr. 8 9 PROCEEDINGS 10 June 15, 2007 11 THE COURT: Be seated, please. 12 THE CLERK: Call case number 05-CV-329-GKF, Attorney 13 General for State of Oklahoma vs. Tyson Foods. Continued motion hearing. 14 15 THE COURT: What I would like to do on number 66 is 16 also wrap up the aspect that we had discussed at the earlier 17 hearing, specifically the argument that Tyson withdrew as to 18 Clean Water Act preemption. And have we discussed on both 19 sides, has everybody been given an opportunity to reply to 20 that? 21 MR. MCDANIEL: I would like to have an opportunity to respond to Mr. Baker's comments of yesterday, Your Honor. 22 23 THE COURT: All right, go ahead. 24 MR. MCDANIEL: Thank you. Good morning Your Honor. 25 THE COURT: Mr. McDaniel, good morning.

1 critical to know you can have -- you can state a CERCLA claim, you can have a CERCLA claim, a valid one, you can proceed all 2 3 the way to judgment and recover your natural resource damages as the trustee without the EPA's involvement, without the 4 5 particular site, the particular facility being on what's called 6 the national priority list, sometimes called the Superfund So you don't need EPA involvement. So the question then 7 I think that was -- if I'm not misunderstanding in your mind 8 9 is, well, what about the situation where one landowner floods 10 another. Let me start with --11 THE COURT: I never practiced that area of the law, so 12 it may not have any application. I quess more to the point 13 here is that most of these preemption cases arise in the 14 context of where there is EPA involvement and it makes it easy. 15 MR. JORGENSEN: Right. 16 THE COURT: And I don't have that simplicity here. MR. JORGENSEN: Right, that's right. 17 18 THE COURT: EPA is not involved. 19 MR. JORGENSEN: That's right. THE COURT: So then when I have a serious question in 20 21 my mind and obviously in Judge Joyner's mind because his order 22 which I have right here beside me said that he --MR. JORGENSEN: 23 I recall. THE COURT: -- he doesn't reach that more substantive 24 25 issue of whether or not a facility consisting of a million

acres is contemplated by the statute. When I've got a serious question as to whether or not CERCLA even applies in this situation, it seems to me as a matter of law and perhaps even more importantly of fundamental fairness, if they don't have the requisite components for a CERCLA action -- I mean, ERISA is easier. I mean, we all know ERISA preempts everything. But when it comes to CERCLA, and particularly when the EPA is not involved, let's say the plaintiffs are wrong, CERCLA just doesn't apply here. And I haven't heard any arguments about it but the issue jumps out at me. And let's say the Court were to decide later on that CERCLA has no application. Isn't it pre -- a little premature for the Court to determine your motion for judgment on the pleadings? That's, that's the best I can boil it down.

MR. JORGENSEN: I appreciate you boiling it down because I think this is perhaps the issue on which we will discuss today, on which we will join issue because it probably dictates the result today. And I think I know the answer, let me walk you through what I think the answer is and we can talk about why. So we've been through the cases that say your analysis comes initially on the pleadings. I think the State will stand up and concede that a valid CERCLA claim can be -- that the State of Oklahoma is for the natural resources of Oklahoma, the valid CERCLA trustee. That therefore they have standing to pursue a CERCLA claim as to natural resources held